

The National-Revenue Question.

The actual amount of revenue accruing to the Dominion Government from the liquor-traffic in every form for the year ending June 30th, 1896, is set out in the following table:

EXCISE DUTIES.

On Canadian spirits	\$4,029,359	
On malt liquors	6,748	
On malt	775,354	
		\$ 4,811,461

LICENSE FEES.

Distillers' licenses	\$2,500	
Malsters' licenses	6,200	
		\$ 8,700

CUSTOMS DUTIES.

On imported ale, beer, wines, and spirits of all kinds	\$2,242,763	
On imported malt	8,391	
		\$ 2,251,154

Total revenue.....	\$ 7,071,315
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This amounts to about \$1.37 per head of our population. It is estimated that about 32 cts. per head is for spirits used for medicinal, mechanical and scientific purposes, and that the revenue from the liquor-traffic for beverage purposes is about \$5,400,000, or about \$1.05 per head of the population.

In leaflet No. 1 of this series, it is shown that consumers of liquor pay for it the sum of \$39,879,854, and that the country is impoverished by the full amount of the money paid for liquor. If this traffic is stopped, the people at large will be richer at the

end of a year by \$39,879,854 than they would have been if the traffic had continued. In ten years the change will make a difference of more than \$400,000,000 in the wealth of the community.

Here lies the answer to the question "What about the revenue?" It is hard to collect money from people who are poor. We make revenue-raising easier by making people better off. The Toronto Globe of May 19th, 1897, states the case forcibly in the following paragraph :--

Taxation paying power depends not on the number of items in the tariff, but on the number and wealth of the people. Consequently the fiscal result of Prohibition is to be judged by the answer to this question : " Will it increase or diminish the taxable wealth of the people?" If wealth is increased, the expense of Government, as of everything else, can be more readily borne

The liquor traffic robs us of much more than the amount which the liquor consumed costs. It has been shown that through intemperance we lose yearly more than \$100,000,000 additional in various indirect ways. Prohibition would enrich our country, and the richer country would yield a richer revenue.

Much of the money saved from drink would be expended for other goods that pay duties, and here would be new revenue at once. An English Parliamentary Report shows that in the years of the Irish famine when the Government closed the distilleries, the people of Ireland bought more tea, sugar, clothing, hardware, etc. than in the years of plenty and a greatly increased revenue was collected on these goods. When the great Father Matthew temperance revival reached its height the yearly revenue from liquor was vastly reduced, but the total yearly revenue collected was £90,000 sterling above the average.

It might be needful for Parliament to plan to meet the revenue deficit for a year or two, but soon we would find a rising revenue flowing in from a happier and wealthier people. It is easy to pay taxes when there is plenty of money to pay with.

Various methods have been suggested by which the revenue now derived from the liquor traffic may be at once replaced when prohibition is enacted. It is not the purpose of this tract

to advocate any special plan. Parliament may be relied upon to adjust its revenue-raising so as to make it as effective as possible, and at the same time as easy as possible to the people. Some of the suggestions that have been made are however, here submitted as information :—

The whole amount might be raised by direct taxation, in which case people would have to pay about one-sixth of the amount they now pay for liquor, retaining the remaining five-sixths and leaving them as a whole more than \$30,000,000 better off than they are under the present plan, a new \$30,000,000 being added to their wealth each year. Direct taxation is however, only one of the available methods of revenue-raising.

A tax of one half-cent per pound on sugar, seven cents per pound on tea, coffee and cocoa, and sixteen cents per pound on tobacco, levied on the quantities of these articles now used, would make up the amount named, \$1.05 per head, or \$5,400,000 on the whole.

The Government might take over the liquor-traffic remaining for permitted purposes, carry it on and retain all the proceeds. It is estimated that this would give a revenue of about \$4,000,000. It would be the safest way of supplying pure liquor for medicine, etc.

If the plan just mentioned were adopted, the balance of \$3,000,000 to make up the whole temporarily displaced revenue, could be secured by an extra excise duty of thirty cents per pound on the quantity of tobacco now consumed.

The same amount could be secured by a special customs duty of four and one-half per cent. on the value of all imported goods that now pay duty.

On the preferential duty plan it could be obtained by an extra duty of seven and one-half per cent. *ad valorem* on the quantities now imported of all other than British goods, leaving the duty on all imports from Great Britain unchanged.

As it is clear that the deficit would only be temporary and that a richer country would soon make up the missing revenue, the temporary deficit might be met by a special loan as in the case of some other national emergency.

All that has been said to the effect that under prohibition our people would be richer and our national revenue really

helped instead of hindered, is forcibly corroborated by statements made by many of the world's ablest financiers. The following paragraphs are taken from speeches made by two eminent British Chancellors of the Exchequer.

W. E. Gladstone. Gentlemen, you need not give yourselves any trouble about the revenue. The question of revenue must never stand in the way of needed reforms. Besides, with a sober population, not wasting their earnings, I shall know where to obtain the revenue.

Sir Stafford Northcote. If the revenue diminishes from increased habits of temperance the amount of wealth such a change would bring to the nation would utterly throw into the shade the amount of revenue that is now derived from the spirit duty; and we should not only see with satisfaction a diminution of the revenue from such a cause, but should find in various ways that the Exchequer would not suffer from the losses which it might sustain in that direction.

Sir A. T. Galt, Sir Leonard Tilley, Hon. Geo. W. Ross, Hon. Geo. E. Foster and many other Canadian statesmen have as forcibly expressed the same views. The last named gentleman on one occasion, after setting out the vast drain that the liquor-traffic had made upon the country during a number of preceding years, added these words:

The wonder is that with such terrible waste our country enjoys any prosperity. If this waste could be made to cease, Canada in ten years would not know herself, so prosperous and wealthy would she have grown.

Speaking on another occasion of the probable results of Prohibition upon the national revenue, he said:

Although direct receipts from this traffic would certainly be expunged from our revenue, still the improvement in the general commerce of the country, the improvement in the general welfare and well-being of our community, would be so great that the receipts in all other branches of our revenues would be increased correspondingly, and there would practically, after the first year or so, not be any diminution whatever in our revenues from our tax-payers.

PROHIBITION PAYS.